



0000001367

ORIGINAL

254

## BEFORE THE ARIZONA CORPORATION COMMISSION

RECEIVED

COMMISSIONERS

Arizona Corporation Commission

DOCKETED

2004 MAR 31 P 1:47

MARC SPITZER, Chairman  
WILLIAM A. MUNDELL  
JEFF HATCH-MILLER  
MIKE GLEASON  
KRISTIN K. MAYES

MAR 31 2004

AZ CORP COMMISSION  
DOCUMENT CONTROL

DOCKETED BY

IN THE MATTER OF THE APPLICATION OF  
PALO VERDE UTILITIES COMPANY FOR AN  
EXTENSION OF ITS CERTIFICATE OF  
CONVENIENCE AND NECESSITY.

DOCKET NO. SW-03575A-03-0586

IN THE MATTER OF THE APPLICATION OF  
SANTA CRUZ WATER COMPANY FOR AN  
EXTENSION OF ITS EXISTING CERTIFICATE  
OF CONVENIENCE AND NECESSITY.

DOCKET NO. W-03576A-03-0586

PROCEDURAL ORDER**BY THE COMMISSION:**

On August 18, 2003, Palo Verde Utilities Company ("Palo Verde") and Santa Cruz Water Company ("Santa Cruz") (jointly "Applicants") filed with the Arizona Corporation Commission ("Commission") an application in the respective, above-captioned dockets seeking to extend their Certificates of Convenience and Necessity to various specified areas of Pinal County, Arizona.

A hearing was held in this matter on December 8, 2003.

On January 22, 2004, a Recommended Opinion and Order was issued recommending approval of the application subject to certain conditions.

On February 5, 2004, the Applicants filed their Monthly Status Report in a prior docket involving Palo Verde and Santa Cruz (Docket Nos. SW-03575A-03-0167 and W-03576A-03-0167), pursuant to the requirements of Decision No. 66394 (October 6, 2003). In that Status Report, the Applicants stated that Michael Reinbold had resigned as president of Palo Verde and Santa Cruz effective January 30, 2004 and that an entity called Global Water Resources, LLC ("GWR") has acquired 100 percent of the Applicants' membership interests.

The Recommended Opinion and Order was discussed during the Commission's March 30, 2004 Open Meeting. As a result of the Open Meeting discussions, the Hearing Division was directed to conduct additional hearings regarding GWR's structure and qualifications.

1 IT IS THEREFORE ORDERED that the Applicants shall file, by no later than April 16, 2004,  
2 testimony regarding, at a minimum, the structure and qualifications of GWR, underlying ownership  
3 interests of other individuals and companies, willingness to abide by reasonable ongoing oversight of  
4 GWR and the Applicants' operations, and other relevant issues related to the ownership and  
5 operations of Palo Verde and Santa Cruz.

6 IT IS FURTHER ORDERED that Staff shall file, by no later than April 30, 2004, testimony  
7 or a Staff Report in response to the Applicants' testimony, as well as any other information or  
8 recommendations that may be relevant to the Commission's consideration of GWR's acquisition of  
9 the LLC membership interests for the Applicants.

10 IT IS FURTHER ORDERED that a hearing will be held in this matter on May 12, 2004, at  
11 10:00 a.m., at the offices of the Commission, 1200 West Washington, Phoenix, Arizona 85007.

12 IT IS FURTHER ORDERED that the ex parte rule remains in effect.

13 IT IS FURTHER ORDERED that the Presiding Officer may rescind, alter, amend, or waive  
14 any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

15 DATED this 31<sup>st</sup> day of March, 2004.

16  
17 

18 DWIGHT D. NODES  
19 ASSISTANT CHIEF ADMINISTRATIVE LAW JUDGE

20  
21  
22 Copies of the foregoing mailed  
23 this 31 day of March, 2004 to:

24 Jay Shapiro  
25 FENNEMORE CRAIG  
26 3003 North Central Avenue, Ste. 2600  
27 Phoenix, AZ 85012  
28 Attorneys for Applicants

Kent A Hoggan  
3799 E. Catamount Ridge Way  
Sandy, Utah 84092

1 Brent D. Butcher  
2 3975 S. Highland Dr., #6  
3 Salt Lake City, Utah 84124

4 Clare H. Abel  
5 BURCH & CRACCHIOLO, P.A.  
6 702 East Osborn Road  
7 Phoenix, AZ 85014  
8 Attorneys for HAM Maricopa, LLC, Desert Cedars  
9 Equities, LLC, and Land Solutions Maricopa, LLC

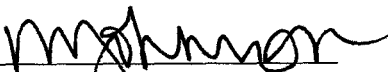
10 Richard L. Sallquist  
11 SALLQUIST & DRUMMON  
12 2525 E. Arizona Biltmore Circle, Ste. 117  
13 Phoenix, AZ 85016  
14 Attorneys for Sonoran Utility Services, L.L.C.

15 Christopher Kempley, Chief Counsel  
16 Legal Division  
17 ARIZONA CORPORATION COMMISSION  
18 1200 West Washington Street  
19 Phoenix, Arizona 85007

20 Ernest Johnson, Director  
21 Utilities Division  
22 ARIZONA CORPORATION COMMISSION  
23 1200 West Washington Street  
24 Phoenix, Arizona 85007

25 ARIZONA REPORTING SERVICE, INC.  
26 2627 N. Third Street, Suite Three  
27 Phoenix, Arizona 85004-1104

28 By:

  
Molly Johnson  
Secretary to Dwight D. Nodes